

OHIO CASINO CONTROL COMMISSION
MEETING MINUTES
10:00 A.M. – January 21, 2015
RHODES TOWER, LOBBY HEARING ROOM
30 W. BROAD STREET
COLUMBUS, OHIO 43215

The regular meeting of the Ohio Casino Control Commission (OCCC) was called to order at 10:12 a.m. by Chair Jo Ann Davidson. Commissioners McKinley Brown, Will Lucas, Ranjan Manoranjan, John Steinhauer, and June Taylor were also in attendance. Commissioner Martin Hoke had an excused absence. The minutes of the December 17, 2014 meeting were approved following a motion by Commissioner Lucas, seconded by Commissioner Steinhauer.

Executive Director Schuler began his report with an update on license renewals. Anthony Forchione, Director of Licensing and Investigations, and his staff have been traveling to the casinos and working with Human Resources casino staff on the collection of casino gaming employee renewal applications. Mr. Schuler reported he recently visited the Horseshoe Casino Cleveland (UCL) with Licensing and Investigations to participate in a licensing event to get first-hand experience in the application submission and fingerprinting process. Mr. Schuler noted that to date, the Commission has issued over 7,000 casino gaming licenses.

Mr. Schuler reviewed the quarterly criminal statistics for each of the casino properties, noting that the statistics did not take into account the active number of investigations in which state, local, and federal entities are involved. Mr. Schuler then deferred to Noah Browning, OCCC Fiscal Officer and Acting Director of Operations, to present the quarterly review of agency revenues and expenditures. Mr. Browning reported that the Commission was ahead of cash flow, and remained on a strong financial footing.

Mr. Schuler ended his report with a status update and recommendation regarding Penn National and Caesars' request to reduce casino gaming employee license (CGE) fees. Both entities had approached the Commission to lower CGE fees due to lower fees found in other state jurisdictions. Mr. Schuler specified that Ohio's legal requirements provided strict framework on what the Commission must accomplish. Mr. Schuler noted that there is a significant benefit in having well trained, experienced, and compliant individuals already well-versed in the multitude of casino internal controls renew their license.

Mr. Schuler recommended the renewal CGE licensing fee be reduced to \$196.00. Mr. Schuler noted that a new rule would need to be established, which could take up to six months. To ensure the same fee is applied to all licensees, the fee would be deferred until the updated rule is approved. Commissioner Lucas questioned whether the proposed reduced renewal fee would leave enough room for variable costs. Mr. Schuler explained that licensing fees and a percentage of casino fees are the only source of revenue that go into supporting the entire Commission, however, renewal fees would comprise only a part of that revenue needed to support the Commission. Commissioner Lucas indicated he was compassionate to lowering the fee, but wanted to ensure the Commission continues to have enough revenue to uphold the integrity of casino gaming. Mr. Schuler ended his report indicating that the Commission would bring a draft rule reducing the renewal fee for discussion at the next Commission meeting.

Anthony Forchione, Director of Licensing and Investigations then presented to the Commission for consideration, Key Employee Licenses for two individuals. The OCCC Division of Licensing and Investigation had completed background investigations of the applicants and recommended approval. Mr. Forchione recommended approval of Commission Resolution 2015-01, granting three-year key employee licenses to David Archey, Director of Security, Horseshoe Casino Cleveland, and Gregory Stechyshyn, Slot Performance Manager, Hollywood Casino Toledo. A motion to approve the Resolution was made by Commissioner Taylor. The motion was seconded by Commissioner Brown and approved.

Patrick Martin, Director of Regulatory Compliance, presented to the Commission for their consideration, Internal Controls being requested by all four casinos. All of the proposed changes had been reviewed and recommended by the OCCC staff.

- Hollywood Casino Columbus (HWC) sought organizational changes to its General, Player Services, Marketing, Security, Slots, and Table Games plans, including details on how dice are re-inspected if accidentally thrown a table during Craps. Commissioner Manoranjan made a motion to approve the proposed changes. The motion was seconded by Commissioner Steinhauer and approved.
- Hollywood Casino Toledo (HWT) requested organizational changes to its General, Player Services, Player Services, Information Technology, Slots, and Table Games plans. Importantly, HWT added controls to establish how “commercial reasonableness” of credit extensions will be established, and removed the self-imposed requirement of having two divisions being involved in the removal of intoxicated patrons. HWT also included controls for the “dice off table” situations in Craps similar to those adopted by its sister property HWC. Commissioner Lucas made a motion to approve the proposed changes. The motion was seconded by Commissioner Taylor and approved.
- Horseshoe Casino Cincinnati (UCI) sought changes to its Slot and Table Game plans, including changes to clarify the handling of counterfeit chips, and game play in Blackjack and Mini Baccarat. Commissioner Taylor made a motion to approve the proposed changes. The motion was seconded by Commissioner Lucas and approved.
- Horseshoe Casino Cleveland (UCL) requested changes to its Table Games, Sensitive Keys, and Promotions plans, and sought to add a new record retention plan as its sister property UCI adopted. Commissioner Manoranjan made a motion to approve the proposed changes. The motion was seconded by Commissioner Taylor and approved.

The next item on the agenda was a presentation by Caesars Entertainment Operating Company (CEOC) and Rock Ohio Ventures, LLC regarding their financial status. Appearing before the Commission on behalf of Caesars were Eric Hension, Senior Vice President of Compliance for Caesars Entertainment Corporation; Susan Carletta, Vice President of Compliance for Caesars Entertainment Corporation; Tim Donovan, Executive Vice President and General Counsel and Chief Regulatory and Compliance Officer for Caesars Entertainment Corporation; Matt Cullen, President, Chief Operating Officer for Rock Gaming; and Dan Reinhart, VP of Legal and Government Affairs for Rock Gaming.

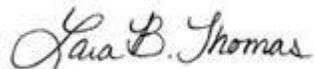
Mr. Hession reviewed the recent capital restructuring of Caesars and forbearance agreement. He told the Commission the Chapter 11 bankruptcy filed on January 15, 2015, would enable Ceasars to facilitate working with lenders and reducing interest expenses. Mr. Donovan indicated that Ceasars has attempted to be as transparent during the bankruptcy process, and hoped to be out of a the Chapter 11 bankruptcy by the end of the year. Speaking jointly, Mr. Cullen and Mr. Reinhart reported that Rock Ohio Ventures, LLC was closely studying the CEOC restructuring and what impact it would have on the Ohio properties, and attempting to introduce the best business practices to work through this process.

Chair Davidson made a motion to go into executive session pursuant to R.C. 121.22(G)(5), stating the following: "The material terms of Rock Ohio Ventures LLC and Caesars Entertainment Operating Company's corporate and financial restructurings contain matters required to be kept confidential by state statute. In particular, discussion of these terms requires consideration of financial and trade-secret information that is deemed confidential under R.C. 3772.16(A)(9) and (12), respectively." The motion was seconded by Commissioner Steinhauer and a roll call vote followed with six ayes and no nays. The Commission went into executive session at 11:08 a.m.

The regular meeting of the Commission resumed at 1:22 p.m.

There being no further business before the Commission, the meeting was adjourned.

Signed,

A handwritten signature in cursive script that reads "Lara B. Thomas".

Lara B. Thomas
Commission Clerk

Approved: February 11, 2015